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UTILITIES COMMISSION

Via: Electronic Mail

May 21, 2013

Jean Jewell, Commission Secretary State of Idaho Idaho Public Utilities Commission Statehouse Boise, ID 83720

RE: CASE NO. AVU-E-13-03 – Update To Published Avoided Cost Rates To Reflect An Updated Natural Gas Price Forecast Of The U.S. Energy Information Administration (EIA) and An Updated Cost Of Capital For Avista.

Dear Ms. Jewell:

Avista Corporation dba Avista Utilities (Avista or Company) submits the following comments in response to the Idaho Public Utilities Commission (IPUC) notice dated May 14, 2013 regarding updated calculations of the natural gas price forecast and capital cost assumptions for Avista:

The Company has reviewed for accuracy Commission Staff's newly published avoided cost rates for Avista, and agrees that the calculations are correct.

Please direct any questions on this matter to Clint Kalich at (509) 495-4532 or myself at (509) 495-4975.

Sincerely,

/s/Linda Gervais

Manager, Regulatory Policy Avista Utilities 509-495-4975 <u>linda.gervais@avistacorp.com</u>

cc: Kristine Sasser Cathleen McHugh